

LDS Family Services (UK) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2003



Company Registration No. 1346482
Registered Charity No. 275643

LDS Family Sevices (UK) Limited

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Year ended 31 December 2003

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LDS Family Services (UK) Limited

DIRECTORS AND OFFICERS

31 December 2003

DIRECTORS

F M Riley
H C Brown
J Dodd

SECRETARY

J Dodd

COMPANY NUMBER

1346482 (England and Wales)

REGISTERED CHARITY NUMBER

275643

REGISTERED OFFICE

1st Floor
399 Garretts Green Lane
Garretts Green
Birmingham
B33 0UH

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

BANKERS

HSBC Bank plc
34 Poplar Road
Solihull
West Midlands B91 3AF

LDS Family Services (UK) Limited

DIRECTORS' REPORT continued

The directors, who are the charity's trustees, submit their report and financial statements of LDS Family Services (UK) Limited for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company are to arrange for the adoption and fostering of children and the provision of counselling services. The company terminated the operation of its Adoption Agency effective 30 September 2003.

The company is a registered charity and its governing documents are its Memorandum and Articles of Association.

RESULTS AND DIVIDENDS

The excess of expenditure over charitable income for the year has been met by The Corporation of the President of the Church of Jesus Christ of Latter-day Saints.

The directors do not recommend the payment of a dividend.

RESERVES

No reserves are held during the year.

DIRECTORS

The following directors have held office since 1 January 2003:-

H C Brown
J Dodd
F M Riley

DIRECTORS' INTERESTS IN SHARES

None of the directors' had, at any time during the year, a beneficial interest in the share capital of the company.

GOVERNANCE AND INTERNAL CONTROL

The directors have considered the risks the charity is exposed to and have ensured that there are suitable controls in place to mitigate those risks.

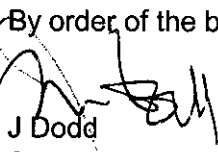
LDS Family Services (UK) Limited

DIRECTORS' REPORT continued

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board


J Dodd
Secretary
DATE 28/10/24

LDS Family Services (UK) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors' are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors' are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
LDS FAMILY SERVICES (UK) LIMITED

for the year ended 31st December 2003

Independent auditors' report to the members of LDS Family Services (UK) Limited

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and related notes.

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of LDS Family Services (UK) Limited. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

AUDITORS' REPORT TO THE MEMBERS OF
LDS FAMILY SERVICES (UK) LIMITED

for the year ended 31st December 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

November 3rd 2004

LDS Family Services (UK) Limited

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
Incoming resources			
Charitable work performed		145,252	145,625
Subsidy from parent company		76,437	127,410
Gain on disposal of fixed assets		3,073	0
Total incoming resources		<u>224,762</u>	<u>273,035</u>
Resources expended			
Direct charitable expenditure	4	224,762	273,035
Total resources expended		<u>224,762</u>	<u>273,035</u>
Net Incoming/(outgoing) resources		-	-
Fund balances brought forward at 1 January 2003		-	-
Fund balances carried forward at 31 December 2003		<u>-</u>	<u>-</u>

The Statement of Financial Activities constitutes an Income and Expenditure account for the purposes of the Companies Act 1985.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities.

The result for the year arises from the company's continuing activities.

The notes on pages 11 to 15 form part of these financial statements.

LDS Family Services (UK) Limited

Balance Sheet as at 31st December 2003

	<u>Notes</u>	£	<u>2003</u> £	£	<u>2002</u> £
FIXED ASSETS					
Tangible assets	5		32,350		18,849
CURRENT ASSETS					
Debtors	6	9,711		31,979	
Cash at Bank and in hand		20,837		200	
		30,548		32,180	
CREDITORS					
Amounts falling due within one year	7	(62,798)		(50,929)	
NET CURRENT LIABILITIES			(32,250)		(18,749)
TOTAL ASSETS LESS CURRENT LIABILITIES			100		100
CAPITAL AND RESERVES					
Called up share capital	8		100		100
SHAREHOLDERS' FUNDS - UNRESTRICTED	9		100		100

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on DATE 28/10/04

J Dodd

Director

The notes on pages 11 to 15 form part of these financial statements.

LDS Family Services (UK) Limited

Financial statements for the year ended 31st December 2003

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations October 2000, the Statement of Recommended Practice "Accounting and Reporting by Charities" and under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

ACCOUNTING CONCEPT

The company's basis of accounting is that income is recorded on the accruals basis. Expenditure is recorded on a cash basis but modified for certain items of accrued expenditure. The effect of not preparing financial statements fully on the accruals basis is not considered by the directors to be material.

FRS 18

The directors have reviewed the accounting policies and confirmed that they are the most applicable.

DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor vehicles	over 4 years
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Assets with a cost below £5,000 are not capitalised.

TURNOVER

Turnover represents the amount billed for services provided. The directors consider that an analysis of the turnover by class of business and geographical area is not appropriate and any other breakdown would be prejudicial.

CASH FLOW STATEMENT

No cash flow statement has been prepared as the company meets the small company exemption limit as defined by s247 of the Companies Act 1985.

LDS Family Services (UK) Limited

Financial statements for the year ended 31st December 2003

ACCOUNTING POLICIES

PENSION CONTRIBUTIONS

The costs of providing pensions is calculated using actuarial valuation methods which reflect the long-term costs of providing such pensions.

For defined benefit schemes the regular cost of providing for pensions is calculated so as to produce a substantially level percentage of the current and estimated future pensionable payroll; variations from the regular cost so calculated are allocated to the income and expenditure account over the average remaining service lives of employees.

The company has adopted the transitional arrangements of FRS17 "Retirement Benefits" for the year ended 31 December 2003. The disclosures required by this standard are shown in note 14. As permitted by its transitional arrangements, figures arising under the standard have not been reflected in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2003

1 TURNOVER

The company's turnover and result before taxation were all derived from charitable work performed in connection with its principal activity.

The company's turnover was wholly earned within the United Kingdom.

2 RESULT FOR THE YEAR	2003 £	2002 £
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This is stated after charging:-

Depreciation on owned assets	14,550	7,537
Auditors' remuneration	2,937	2,937
Loss on disposal of tangible fixed assets	0	7,402
	<hr/>	<hr/>

3 EMPLOYEES	2003 No.	2002 No.
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The average weekly number of persons (including directors) employed by the company during the year was:

Directors	3	3
Counsellors	5	5
Office staff	2	2
	<hr/>	<hr/>
	10	10
	<hr/>	<hr/>

	2003 £	2002 £
Staff costs for the above persons:		
Wages and salaries	128,071	160,228
Social security costs	11,871	11,402
Other pension costs	15,418	19,689
	<hr/>	<hr/>
	155,361	191,319
	<hr/>	<hr/>

No employee earned in excess of £50,000 during the year.

DIRECTORS REMUNERATION

None of the directors who served during the year ended 31 December 2003 received remuneration from this company, nor was any charge made to the company for their services by any other group company. Additionally no director received reimbursement for expenses incurred during the year.

LDS Family Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2003

4 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total Costs £
Charitable expenditure	155,361	54,851	14,550	224,762

5 TANGIBLE FIXED ASSETS

	Motor Vehicles £
Cost	
1 January 2003	56,350
Disposals	(26,201)
Additions	28,051
31 December 2003	58,200
Accumulated Depreciation	
1 January 2003	37,501
Depreciation on vehicles sold	(26,201)
Charge for the year	14,550
31 December 2003	25,850
Net Book Value	
31 December 2003	32,350
31 December 2002	18,849

LDS Family Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

6	DEBTORS	2003	2002
		£	£
	Due within one year		
	Sundry debtors	9,711	31,979
		<u>9,711</u>	<u>31,979</u>
		<u><u>9,711</u></u>	<u><u>31,979</u></u>
7	CREDITORS	2003	2002
		£	£
	Bank Overdraft	0	30,152
	Balances due to group undertakings	56,923	14,902
	Accruals	<u>5,875</u>	<u>5,875</u>
		<u>62,798</u>	<u>50,929</u>
		<u><u>62,798</u></u>	<u><u>50,929</u></u>
8	SHARE CAPITAL	2003	2002
		£	£
	Authorised		
	100 ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, issued and fully paid		
	100 ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
		<u><u>100</u></u>	<u><u>100</u></u>
9	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS - UNRESTRICTED	2003	2002
		£	£
	Result for the financial year	-	-
	Opening shareholders' funds	<u>100</u>	<u>100</u>
		<u><u>100</u></u>	<u><u>100</u></u>
	Closing shareholders' funds	<u>100</u>	<u>100</u>
		<u><u>100</u></u>	<u><u>100</u></u>

Shareholders' funds are entirely attributable to equity interests.

LDS Family Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

10 ULTIMATE HOLDING COMPANY

The company is owned by LDS Family Services (Utah), a company incorporated in USA.

The ultimate holding companies and controlling parties are The Corporation of The President of The Church of Jesus Christ of Latter-day Saints and The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, corporations incorporated in the state of Utah in the United States of America.

Assurances of continued financial support have been received from The Corporation of The President of The Church of Jesus Christ of Latter-day Saints.

11 RELATED PARTY TRANSACTIONS

During the year the company received a subsidy of £76,437 from The Corporation of the President of the Church of Jesus Christ of Latter-day Saints. The balance due to The Corporation of The President of the Church of Jesus Christ of Latter-day Saints at the year end is disclosed in note 7 (balance due to group undertakings).

The company is provided with offices rent free by The Church of Jesus Christ of Latter-day Saints (Great Britain) a fellow subsidiary jointly owned by The Corporation of the President and The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

12 FUTURE FINANCE

The Corporation of the President of the Church of Jesus Christ of Latter-day Saints has confirmed that it will continue to provide the funds to support the company's future activities.

13 TAXATION

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

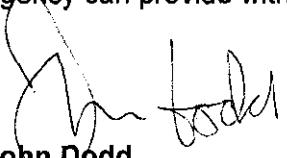
**LDS Family Services (UK) Ltd
Trustees Annual Report
for year ending 31.12.03**

The current year has been a further year of adjustment and change following the closure of the Adoption Agency. The function of the Agency is to provide social service support for members of The Church of Jesus Christ of Latter-day Saints, and for non members when referred by local priesthood leaders.

In September 2003 Mark Glade retired as Agency Director and was replaced by Mark Ricks, who is currently serving as Agency Director. The staff complement for the Agency is currently one director, three practitioners and a secretary. Pauline Upstone retired in the current year and has not been replaced. Rufus Corbyn another of the Agency's practitioners will retire in 2004 and a replacement will be sought for him.

The work of the Agency this year has consisted of winding down the adoption services, and referring adoption applicants to their local authority adoption services. The Agency has also been working closely with local authority agencies in after care services where placements were made by the Agency. As a general rule the Agency has had very good working relationships with these other agencies. There continues to be a role for the Agency to play in support services for adoption, and the Agency has approved 2 adoptive families for referral to local authorities. The Agency has increased its clinical services. It is working closely with many of the stakes (dioceses) of the Church and more loosely with other stakes in fulfilling its responsibility to provide a nationwide service.

Looking to the future the Agency expects very shortly to fill its employment complement and to continue to strengthen its clinical service support. In addition new legislation is proposed that would allow social services agencies to act as Adoption Support Agencies without the heavy administrative burden required for a full adoption service. The Agency continues to get adoption enquiries. There are also Church members in some areas of the country who are still having difficulty being placed on local authority lists. The Agency are looking closely at this proposed legislation to see if there is a useful service the agency can provide within existing budgetary constraints.



John Dodd
Director and Secretary
1.10.04